IN THE CLAIMS:

1. (Original) A method of compressing a video signal, the method comprising: predictively encoding (10,11) frames (X) of said video signal with reference to a prediction frame (X_p) ,

calculating (20) a quantization parameter (q) for each encoded frame, quantizing (12) the encoded frames in accordance with said quantization parameter,

characterized in that said step of calculating the quantization parameter includes calculating a first quantization parameter (q) representing a first quality or bit rate for quantizing selected first frames (P) of said predictively encoded frames, and a second quantization parameter (F.q) representing a second quality or bit rate that is lower than said first quality or bit rate for quantizing selected second frames (P') of the video signal, the method further including:

decompressing (15-18) the compressed second frames to constitute the prediction frame (X_p) for predictively encoding the first frames.

- 2. (Original) A method as claimed in claim 1, wherein the step of calculating the second quantization parameter includes calculating said first quantization parameter (q) and multiplying (23) said first quantization parameter by a given factor (F).
- 3. (Original) A method as claimed in claim 1, wherein said predictively encoded frames constitute a series of successive frames, the second selected frames being every other frame of said series.
- 4. (Original) An arrangement for compressing a video signal, the arrangement comprising:

encoding means (10,11) for predictively encoding frames (X) of said video signal with reference to a prediction frame (X_p) ,

calculation means (20) for calculating a quantization parameter (q) for each encoded frame,

a quantizer (12) for quantizing the encoded frames in accordance with said quantization parameter,

characterized in that said calculation means (20) are arranged to calculate a first quantization parameter representing a first quality or bit rate for quantizing selected first frames (P) of said predictively encoded frames, and a second quantization parameter (F.q) representing a second quality or bit rate that is lower than said first quality or bit rate for quantizing selected second frames (P') of the video signal, the arrangement further including:

means (15-18) for decompressing the compressed second frames to constitute said prediction frame (X_p) for predictively encoding first selected frames.

- 5. (Original) An arrangement as claimed in claim 4, wherein said calculation means (20) comprise a multiplier (23) for multiplying the first quantization parameter (q) by a given factor (F).
- 6. (Original) An arrangement as claimed in claim 4, wherein said predictively encoded frames constitute a series of successive frames, the second selected frames being every other frame of said series.
- 7. (Cancelled)
- 8. (Cancelled)
- 9. (Currently amended) A method of transmitting or recording a video signal, the method comprising:

generating the compressed video signal comprising: a prediction frame (X_p) , predictively encoded (10,11) frames (X) that have been predictively encoded with reference to the prediction frame (X_p) ,

respective quantization parameters (q) for respective encoded frames, the encoded frames having been quantized (12) in accordance with said respective quantization parameters, the quantization parameters including first quantization parameters (q) representing a first quality or bit rate for quantizing selected first frames (P) of said predictively encoded frames, and second quantization parameters (F.q) representing a second quality or bit rate that is lower than said first quality or bit rate for quantizing selected second frames (P') of the video signal; of claim 7 and transmitting or storing the compressed video signal.

10. (Currently amended) An arrangement for transmitting or recording a video signal, the arrangement comprising:

means (100) for generating the compressed video signal <u>comprising</u>: a prediction frame (X_p) ;

predictively encoded (10,11) frames (X) that have been predictively encoded with reference to the prediction frame (X_p) , and

respective quantization parameters (q) for respective encoded frames, the encoded frames having been quantized (12) in accordance with said respective quantization parameters, the quantization parameters including first quantization parameters (q) representing a first quality or bit rate for quantizing selected first frames (P) of said predictively encoded frames, and second quantization parameters (F.q) representing a second quality or bit rate that is lower than said first quality or bit rate for quantizing selected second frames (P') of the video signal of claim 7; and

means (108, 120) for transmitting or recording the compressed video signal.